

## **Military 2004 W-2's to include CZTE pay information; make it easier to determine tax credit eligibility**

ARLINGTON, Va. (Dec. 15, 2005) -- The 2004 W-2 forms for military members will now report pay earned while serving in a Combat Zone Tax Exclusion (CZTE) area. This information will provide members the opportunity to determine their eligibility for the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC).

The CZTE pay information will be listed separately in Block 14 of the member's W-2 form and will not be included with taxable wage information (Block 1).

EITC and CTC qualifications are based on gross income, which includes pay earned while in a CZTE area. The addition of this information on 2004 W-2s will aid in determining (1) whether a member meets the IRS requirements for EITC and CTC, and (2) which method of computing taxes is most advantageous to each member's individual situation.

The 2004 W-2s will be available mid- to late-January. Log onto *myPay* (<https://mypay.dfas.mil/mypay.aspx>) to check W-2 availability and get a jump on the 2004 tax-filing season.

For more information on the Earned Income Tax Credit, Child Tax Credit, or other tax issues, contact your unit tax advisor or finance office.

Information is also available in the **Armed Forces Tax Guide 2004** ([www.irs.gov/pub/irs-pdf/p3.pdf](http://www.irs.gov/pub/irs-pdf/p3.pdf)) and the **Internal Revenue Service** Web site ([www.irs.gov](http://www.irs.gov)).

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